

## FUND SUMMARIES

### Total Budget – Fund Summary

The accounting policies of the City of Longview conform to generally accepted accounting principles applicable to governmental units. The accounts of the City are organized on the basis of funds and account groups. Each is considered a separate accounting entity. The operation of each fund is accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Government resources are allocated to and accounted for in individual funds based on the purpose for which they are to be spent, and the means by which spending activities are controlled. The various operating funds are grouped into five major fund categories defined as follows:

### General Fund

The General Fund is used to provide for basic City services and day-to day operations. The major operating activities include police, fire, public works, development services and parks and recreation. This fund accounts for all resources that are not required to be accounted for in a separate fund. General Fund revenues primarily consist of property taxes, the local option sales tax, licenses, permits and fees.

### Enterprise Funds

Enterprise Funds are used to account for activities financed and operated in a manner similar to private business enterprises where the expenses of providing the service are financed primarily through user fees. These funds are:

Water Utilities Fund

Sanitation

Longview Recreation Fund

### Special Revenue Funds

Special Revenue Funds, also known as Categorical Funds, account for the proceeds of specific revenue sources. These funds are established to meet a specific purpose, but law does not mandate the services they provide. These funds are:

Hotel Occupancy Tax Fund

Maude Cobb Activity Fund

¼ Cent Sales Tax Fund

Public Safety Communications

LEDFO

Police Special Funds

Municipal Court Special Fund

Federal Motor Carrier Violations

Grant Funds

Transit

Tax Incremental Fund

Unclaimed & Donated Funds

## **Internal Service Funds**

Internal Service Funds are used to account for the financing of goods or services provided by one department or agency of a government to others within the government on a cost-reimbursement basis. These service funds are:

General Liability Fund	Health/Life Fund
Workers Compensation Fund	Fleet Services Fund
Geographic Information Systems	Cable Franchise Fees
General Maintenance	General Equipment Replacement Fund

## **Debt Service Funds**

These funds are used to account for resources dedicated to the payment of principal and interest on long-term debt. Most of the capital projects are funded through the issuance of General Obligation Bonds or Revenue Bonds. The bonds must be paid for annually in principal and interest payments.

## TOTAL REVENUES BY FUNDS

Fund	Actual FY 11-12	Budget FY 12-13	Estimated FY 12-13	Budget FY 13-14	% to
<b>General Fund</b>	60,747,496	61,171,759	60,989,060	65,913,508	7.75%
<b>Enterprise Funds</b>					
Water Utilities	32,532,121	34,468,567	34,333,946	34,051,161	-1.21%
Sanitation	4,738,888	5,227,754	4,855,188	5,325,146	1.86%
Longview Recreation	758,524	689,116	687,676	868,870	26.08%
<b>Subtotal</b>	<b>38,029,533</b>	<b>40,385,437</b>	<b>39,876,810</b>	<b>40,245,177</b>	
<b>Special Revenue Funds</b>					
Maude Cobb Activity Fund	1,360,672	1,526,897	1,493,923	1,556,344	1.93%
Hotel Motel Tax Fund	1,800,017	2,398,882	2,406,557	2,219,503	-7.48%
1/4 Cent Sales Tax Fund	5,292,516	5,234,093	5,151,587	5,595,038	6.90%
Public Safety Communications	1,090,043	878,982	878,369	940,147	6.96%
Municipal Utility Coalition	-	29,537	29,537	-	-100.00%
Longview Economic	5,065,841	4,986,131	5,133,487	5,133,487	2.96%
Police Special	73,981	103,440	90,440	86,455	-16.42%
Resource/School Fund	49,526	47,715	47,699	48,305	0.00%
Municipal Court Fees	141,174	116,836	116,356	128,163	9.69%
Federal Motor Carrier Violations	9,249	84,124	84,095	48,974	-41.78%
Unclaimed Money	17,029	2,400	1,400	2,400	0.00%
Grants	3,090,577	6,204,511	2,123,519	2,275,091	-63.33%
Transit	1,531,152	2,663,897	3,033,940	2,691,496	1.04%
Donated Funds	36,253	100,000	66,700	100,000	0.00%
Photo Enforcement	-	2,500	-	63,710	
Tax Increment Fund	533	70,000	540	-	0.00%
<b>Subtotal</b>	<b>19,558,563</b>	<b>24,449,945</b>	<b>20,658,149</b>	<b>20,889,113</b>	
<b>Internal Services</b>					
General Liability	714,794	1,036,772	817,534	1,000,440	-3.50%
Health/Life	7,361,517	8,757,936	8,774,613	9,029,175	3.10%
Workers Compensation	371,597	589,500	589,500	536,500	-8.99%
Cable Franchise	142,395	131,822	134,822	228,288	73.18%
Fleet Services	1,855,088	1,803,863	2,035,874	2,274,379	26.08%
General Maintenance	316,452	300,000	299,950	291,500	-2.83%
General Equipment Replacement	1,834,325	2,055,638	2,030,000	1,262,504	-38.58%
Geographic Information Systems	533,080	624,974	636,974	653,539	4.57%
<b>Subtotal</b>	<b>13,129,248</b>	<b>15,300,505</b>	<b>15,319,267</b>	<b>15,276,325</b>	
<b>Debt Service Funds</b>					
General Obligation	7,596,985	6,852,663	6,852,663	6,668,148	-2.69%
Revenue Bond I & S Fund	9,420,436	8,904,006	8,904,006	8,937,283	0.37%
Revenue Bond Reserves	-	-	-	-	0.00%
<b>Subtotal</b>	<b>17,017,421</b>	<b>15,756,669</b>	<b>15,756,669</b>	<b>15,605,431</b>	
<b>Total Revenues</b>	<b>\$148,482,261</b>	<b>\$157,064,315</b>	<b>\$152,599,955</b>	<b>\$157,929,554</b>	0.55%
Less: Transfers	25,414,090	23,051,997	23,044,652	23,999,986	
<b>Net Revenues</b>	<b>\$123,068,171</b>	<b>\$134,012,318</b>	<b>\$129,555,303</b>	<b>\$133,929,568</b>	
* Appropriated Fund Balance totals were included in the above funds as cash reserves were utilized.					

## TOTAL EXPENDITURES BY FUNDS

Fund	Actual FY 11-12	Budget FY 12-13	Estimated FY 12-13	Budget FY 13-14	% Change to Budget
<b>General Fund</b>	60,747,496	61,171,759	60,989,060	65,913,508	7.75%
<b>Enterprise Funds</b>					
Water Utilities	32,532,121	34,468,567	34,333,946	34,051,161	-1.21%
Sanitation	4,738,888	5,227,754	4,855,188	5,325,146	1.86%
Longview Recreation	758,524	689,116	687,676	868,870	26.08%
Water Development	-	-	-	-	0.00%
<b>Subtotal</b>	<b>38,029,533</b>	<b>40,385,437</b>	<b>39,876,810</b>	<b>40,245,177</b>	
<b>Special Revenue Funds</b>					
Maude Cobb Activity Fund	1,360,672	1,526,897	1,493,923	1,556,344	1.93%
Hotel Motel Tax Fund	1,800,017	2,398,882	2,406,557	2,219,503	-7.48%
1/4 Cent Sales Tax Fund	5,292,516	5,234,093	5,151,587	5,595,038	6.90%
Public Safety Communications	1,090,043	878,982	878,369	940,147	6.96%
Municipal Utility Coalition	-	29,537	29,537	-	-100.00%
Longview Economic	5,065,841	4,986,131	5,133,487	5,133,487	2.96%
Police Special	73,981	103,440	90,440	86,455	-16.42%
Resource/School Fund	49,526	47,715	47,699	48,305	0.00%
Municipal Court Fees	141,174	116,836	116,356	128,163	9.69%
Federal Motor Carrier	9,249	84,124	84,095	48,974	-41.78%
Unclaimed Money	17,029	2,400	1,400	2,400	0.00%
Grants	3,090,577	6,204,511	2,123,519	2,275,091	-63.33%
Transit	1,531,152	2,663,897	3,033,940	2,691,496	1.04%
Donated Funds	36,253	100,000	66,700	100,000	0.00%
Photo Enforcement	-	2,500	-	63,710	
Tax Increment Fund	533	70,000	540	-	0.00%
<b>Subtotal</b>	<b>19,558,563</b>	<b>24,449,945</b>	<b>20,658,149</b>	<b>20,889,113</b>	
<b>Internal Services</b>					
General Liability	714,794	1,036,772	817,534	1,000,440	-3.50%
Health/Life	7,361,517	8,757,936	8,774,613	9,029,175	3.10%
Workers Compensation	371,597	589,500	589,500	536,500	-8.99%
Cable Franchise	142,395	131,822	134,822	228,288	73.18%
Fleet Services	1,855,088	1,803,863	2,035,874	2,274,379	26.08%
General Maintenance	316,452	300,000	299,950	291,500	-2.83%
General Equipment	1,834,325	2,055,638	2,030,000	1,262,504	-38.58%
Geographic Information	533,080	624,974	636,974	653,539	4.57%
<b>Subtotal</b>	<b>13,129,248</b>	<b>15,300,505</b>	<b>15,319,267</b>	<b>15,276,325</b>	
<b>Debt Service Funds</b>					
General Obligation	7,596,985	6,852,663	6,852,663	6,668,148	-2.69%
Utilities (Revenue)	9,420,436	8,904,006	8,904,006	8,937,283	0.37%
Revenue Bond Reserves	-	-	-	-	0.00%
<b>Subtotal</b>	<b>17,017,421</b>	<b>15,756,669</b>	<b>15,756,669</b>	<b>15,605,431</b>	
<b>Total Expenditures</b>	<b>\$148,482,261</b>	<b>\$157,064,315</b>	<b>\$152,599,955</b>	<b>\$157,929,554</b>	0.55%
Less: Transfers	25,414,090	23,051,997	23,044,652	23,999,986	
<b>Net Expenditures</b>	<b>\$123,068,171</b>	<b>\$134,012,318</b>	<b>\$129,555,303</b>	<b>\$133,929,568</b>	

## TOTAL BUDGET – PROJECTED FUND BALANCES

The City's financial policies establish fund balance objectives at 10% of the General Fund's and 15% of the Enterprise Funds' estimated annual operating expenses. In addition to the 10%, the General Fund is designating approximately three million of its fund balance for Other Post-Employment Benefits and Pension Trust Fund Liabilities.

Fund	10-01-13 Beg Est. Balance	*FY13-14 Budgeted Revenues	*FY13-14 Budgeted Expenditures	*FY13-14 Ending Balance	Ending Balance % to Exp.
<b>GENERAL FUND</b>	15,645,193	65,913,508	65,913,508	8,183,307 *	12.42%
<b>ENTERPRISE FUNDS</b>					
Water Utilities	6,802,248	34,051,161	34,051,161	6,231,270 *	18.30%
Sanitation	1,801,304	5,325,146	5,325,146	1,790,967 *	33.63%
Longview Recreation	263,520	868,870	868,870	202,990	23.36%
<b>SPECIAL REVENUE FUNDS</b>					
Maude Cobb Activity Fund	387,360	1,556,344	1,556,344	205,804	13.22%
Hotel Motel Tax Fund	568,299	2,219,503	2,219,503	568,299	25.60%
1/4 Cent Sales Tax Fund	1,102,803	5,595,038	5,595,038	641,252	11.46%
Public Safety Communications	817,875	940,147	940,147	725,728	77.19%
Municipal Utility Coalition	-	-	-	-	
Longview Economic Development	-	5,133,487	5,133,487	-	
Police Special	123,049	86,455	86,455	84,794	
Resource/School Fund	45,077	48,305	48,305	21,623	
Municipal Court Fees	184,207	128,163	128,163	198,044	
Federal Motor Carrier Violations	44,543	48,974	48,974	37,569	
Unclaimed Money	49,146	2,400	2,400	49,146	
Grants	-	2,275,091	2,275,091	-	
Transit	(227,667)	2,691,496	2,691,496	(227,667)	
Donated Funds	20,131	100,000	100,000	20,131	
Photo Enforcement	-	63,710	63,710	296,290	
Tax Increment Fund	9,052	-	-	9,052	
<b>INTERNAL SERVICE FUNDS</b>					
General Liability	1,186,744	1,000,440	1,000,440	425,829 *	42.56%
Health/Life	3,584,122	9,029,175	9,029,175	2,758,873	30.56%
Workers Compensation	469,278	536,500	536,500	200,808	37.43%
Cable Franchise	34,248	228,288	228,288	27,994	12.26%
Fleet Services	249,235	2,274,379	2,274,379	215,548 *	9.48%
General Maintenance	235,822	291,500	291,500	194,322	66.66%
General Equipment Replacement	1,880,873	1,262,504	1,262,504	2,430,387	192.51%
Geographic Information Systems	85,696	653,539	653,539	44,847 *	6.86%
<b>DEBT SERVICE FUNDS</b>					
General Obligation I & S Fund	2,823,756	6,668,148	6,668,148	2,573,756	38.60%
Revenue Bond I & S Fund	3,281,933	8,937,283	8,937,283	3,281,933	36.72%
Revenue Bond Reserve	6,278,575	-	-	6,278,575	0.00%
<b>TOTAL</b>	<b>\$47,746,422</b>	<b>\$157,929,554</b>	<b>\$157,929,554</b>	<b>\$37,471,471</b>	
Less Transfers & Internal Chgs		23,999,986	23,999,986		
<b>TOTAL</b>	<b>\$47,746,422</b>	<b>\$133,929,568</b>	<b>\$133,929,568</b>	<b>\$37,471,471</b>	
* Ending fund balance adjusted for OPEB reserve and/or adjusted for net of capital purchases, depreciation and other non-cash or expense items.					

## TOTAL BUDGET – INTERFUND TRANSFERS

Interfund Transfers represent contributions made by one fund to support operations of another fund or to represent an allocation of shared costs between funds. A cost allocation study was completed in 2000 by DMB Maximus establishing transfer amounts for each fund for the shared costs. Current cost allocations have been adjusted to capture inflation costs.

FROM:	To:													
	General		Risk Management	Workers Comp	General CIP	Rev Bd I & S	General Maint.	MCAC	Cable Franchise	Transit	Water CIP	Drainage CIP	GIS	Total
	General	0	157,131	188,962	3,129,500	0	250,000	50,000	161,885	325,000	0	0	166,207	4,428,685
	Water	1,901,157 *	80,009	36,762	0	8,912,283	0	0	10,377	0	4,000,000	0	281,857	15,222,445
	Sanitation	410,677 *	2,365	22,664	0	0	0	0	10,377	0	0	0	8,541	454,624
	Drainage	1,940,653 *	9,458	5,520	0	0	0	0	10,377	0	0	700,000	108,407	2,774,415
	Fleet	0	0	9,389	0	0	0	0	0	0	0	0	7,884	17,273
	E-911 Center	0	0	0	0	0	0	0	0	0	0	0	52,561	52,561
	MCAC	140,877 *	0	4,733	0	0	0	0	6,227	0	0	0	1,643	153,480
	Hotel Tax	0	0	0	0	0	0	873,088	0	0	0	0	0	873,088
	GIS	0	0	0	0	0	0	0	4,151	0	0	0	0	4,151
	Risk Management	0	0	0	0	0	0	0	0	0	0	0	1,971	1,971
	MPO	0	0	0	0	0	0	0	0	0	0	0	9,855	9,855
	Housing	0	0	0	0	0	0	0	0	0	0	0	1,643	1,643
	Transit	0	0	0	0	0	0	0	4,152	0	0	0	1,643	5,795
	Total	4,393,364	248,963	268,030	3,129,500	8,912,283	250,000	923,088	207,546	325,000	4,000,000	700,000	642,212	23,999,986

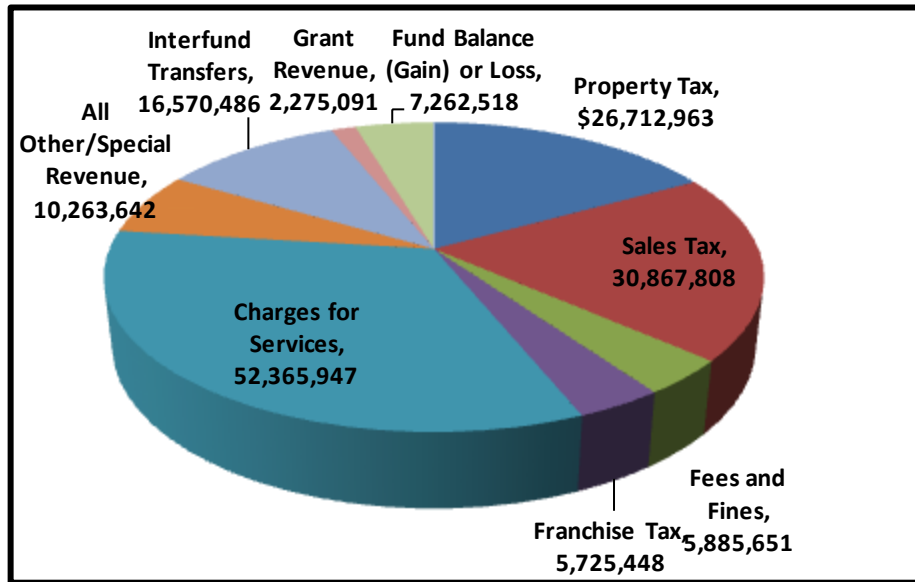
\* Administrative Fees paid to General Fund

\*\* LEDCO Funds were Utilized for Parks Projects & General Fund Radio Maintenance

## BUDGET SUMMARIES

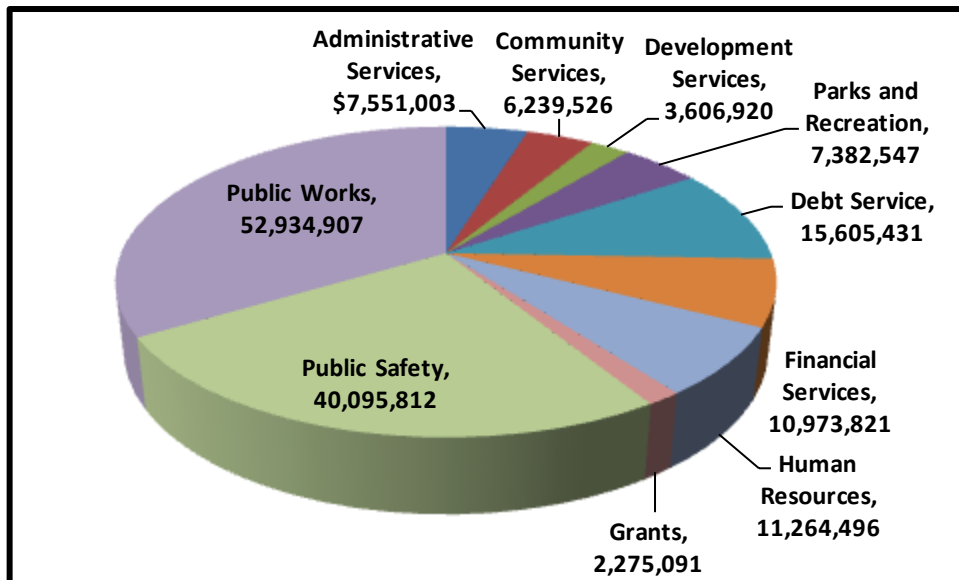
### Where the Money Comes From: All Fund Revenues

**Total Budget \$157.9 Million**



### Where the Money Goes: All Fund Expenditures

**Total Budget \$157.9 Million**



## TOTAL BUDGET - SUMMARY

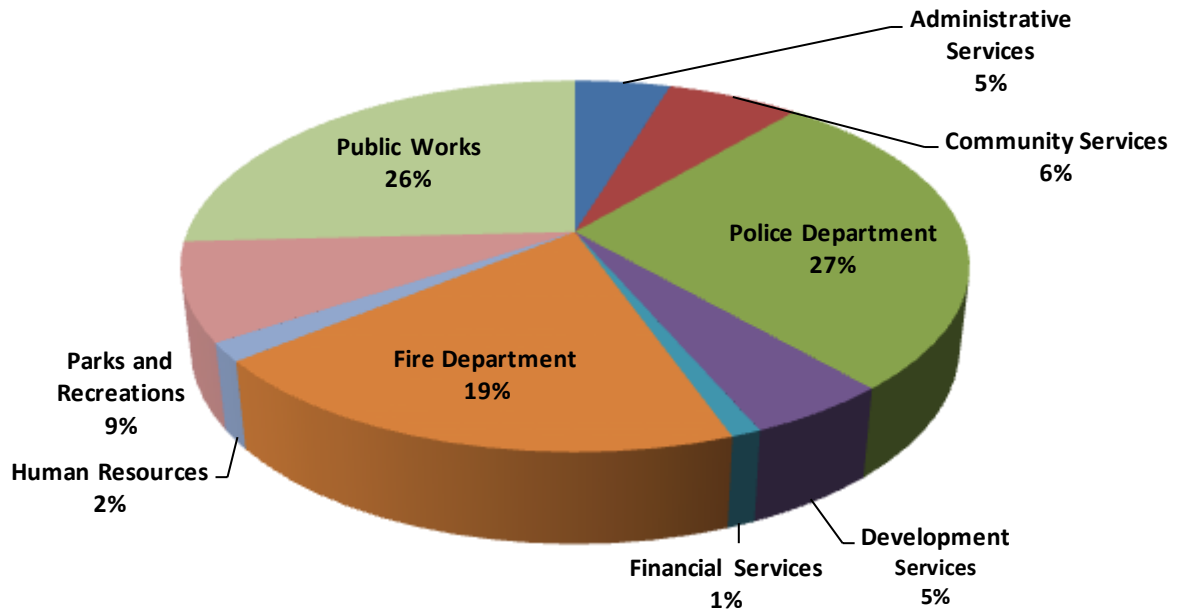
The chart below identifies total expenditure projections by service areas and revenue projections by funding source. Increases and decreases in individual areas are identified and explained in the individual fund summaries found later in this document. The City of Longview's adopted budget for FY 2013-14 is \$157,929,554, an increase of 0.55% from the FY 2012-13 Budget. The increase in revenues is mostly due to positive collection trends for sales tax in 2012-2013, which has led to forecasting the same trend for 2013-2014. The increases in expenditures are mainly due to several special projects in the General Fund as clarified in the fund summary section.

<b>Funding Sources</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Estimated FY 12-13</b>	<b>Budget FY 13-14</b>	<b>% Change Budget</b>
Property Tax	\$26,476,631	\$26,839,976	\$26,989,219	\$26,712,963	-0.47%
Sales Tax	30,395,049	29,916,787	30,867,808	30,867,808	3.18%
Fees and Fines	5,813,486	5,340,934	5,563,489	5,885,651	10.20%
Franchise Tax	5,675,572	5,853,187	5,553,491	5,725,448	-2.18%
Charges for Services	49,158,445	50,538,584	50,905,700	52,365,947	3.62%
All Other/Special Revenue	8,983,016	9,800,867	9,916,137	10,263,642	4.72%
Interfund Transfers	17,686,009	17,953,182	17,953,182	16,570,486	-7.70%
Grant Revenue	2,768,440	6,003,351	2,123,519	2,275,091	-62.10%
Fund Balance (Gain) or Loss	1,525,609	4,817,447	2,727,410	7,262,518	50.75%
<b>Total Revenue</b>	<b>\$148,482,256</b>	<b>\$157,064,315</b>	<b>\$152,599,955</b>	<b>\$157,929,554</b>	<b>0.55%</b>
<b>Expenditures</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Estimated FY 12-13</b>	<b>Budget FY 13-14</b>	<b>% Change Budget</b>
Administrative Services	\$7,215,910	\$8,521,303	\$8,792,234	\$7,551,003	-11.39%
Community Services	4,670,674	6,097,867	6,341,602	6,239,526	2.32%
Development Services	2,957,907	3,388,195	3,356,134	3,606,920	6.46%
Parks and Recreation	7,005,201	7,168,612	7,331,601	7,382,547	2.98%
Debt Service	17,017,421	15,756,669	15,756,669	15,605,431	-0.96%
Financial Services	11,321,359	7,937,501	7,969,459	10,973,821	38.25%
Human Resources	9,053,603	11,043,184	10,840,805	11,264,496	2.00%
Grants	3,090,572	6,204,511	2,123,519	2,275,091	-63.33%
Public Safety	36,655,880	38,158,583	37,747,544	40,095,812	5.08%
Public Works	49,493,729	52,787,890	52,340,388	52,934,907	0.28%
<b>Total Expenditures</b>	<b>\$148,482,256</b>	<b>\$157,064,315</b>	<b>\$152,599,955</b>	<b>\$157,929,554</b>	<b>0.55%</b>
Net	\$0	\$0	\$0	\$0	

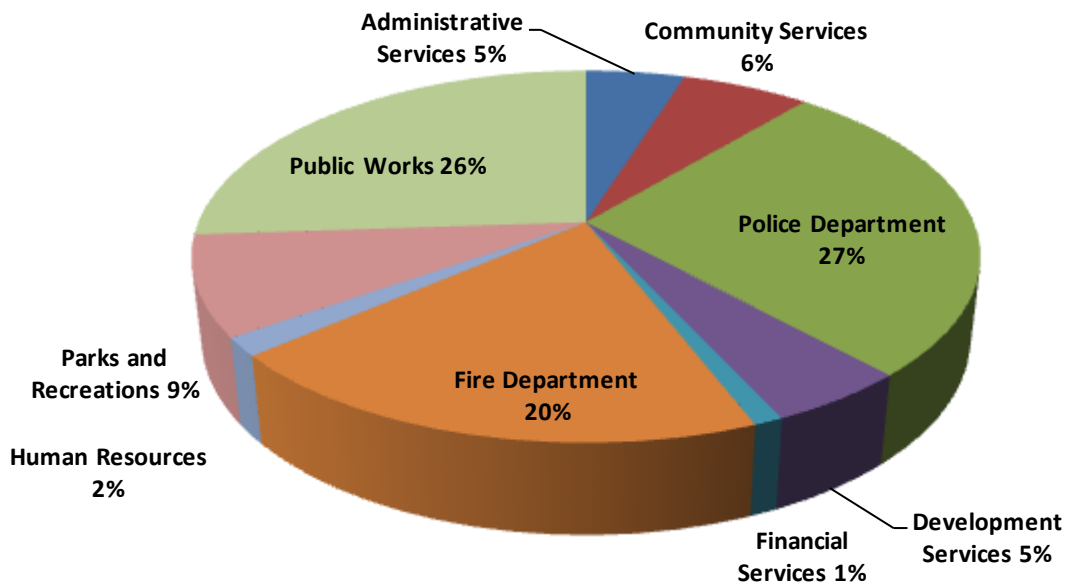


**AUTHORIZED POSITIONS  
BY SERVICE AREA**

**FY 12-13: Total 865 Positions**



**FY 13-14: Total 876 Positions**



**AUTHORIZED POSITIONS**  
***Summary of Position Changes for FY 2013-14 by Division***

**Administrative Services:**

- **Municipal Court:** Added one Compliance Specialist to aid in the collection process.
- **Cable Franchise :** Added one Video Producer to aid in the filming of council meetings and various other programs broadcasted on the City of Longview cable channel 5.

**Community Services:**

- **CDBG and Home Grants:** One Caseworker is no longer funded.

**Public Works:**

- **Drainage:** Added one crew which consists of three positions.
- **Public Works Administration:** Added one Right of Way Agent and one Construction Engineer no longer funded by the Construction in Progress Fund.
- **Construction in Progress:** Moved one Construction Engineer to Public Works Administration to be funded by Water Funds.
- **Wastewater Collection:** Added one Operator Apprentice.

**Fire Department :**

- **Fire :** Added one crew which consists of three positions to aid in the addition of a new ambulance added to the Fire fleet.

**Parks and Recreation Department :**

- **Parks :** Added one crew Leader and one Maintenance Worker

## AUTHORIZED POSITION CHARTS

<b>ADMINISTRATIVE SERVICES</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Year End Est. FY 12-13</b>	<b>Budget FY 13-14</b>	<b>Year over Year Change</b>
City Manager/City Council	7	8	8	8	0
City Secretary	3	3	3	3	0
City Attorney	5	5	5	5	0
Municipal Court	15	15	15	16	1
Information Technology	7	8.5	8.5	8.5	0
Cable Franchise	1	1	1	2	1
<b>Total</b>	<b>38</b>	<b>41</b>	<b>41</b>	<b>42.5</b>	<b>2.0</b>

<b>COMMUNITY SERVICES</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Year End Est. FY 12-13</b>	<b>Budget FY 13-14</b>	<b>Year over Year Change</b>
CDBG and Home Grants	12	12	11	11	-1
Library	31	31	31	31	0
Maude Cobb	8	8	8	8	0
Partners In Prevention	4.8	4.65	4.65	4.65	0
Partners In Prevention Grants	0.2	0.35	0.35	0.35	0
Transit	0	0	0	0	0
<b>Total</b>	<b>56</b>	<b>56</b>	<b>55</b>	<b>55</b>	<b>0</b>

<b>DEVELOPMENT SERVICES</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Year End Est. FY 12-13</b>	<b>Budget FY 13-14</b>	<b>Year over Year Change</b>
Planning and Zoning	4	4	4	4	0
Building Inspection	9	9	9	9	0
Environmental Health	18	18	18	18	0
Engineering Services	6	6	6	6	0
Development Services Admin	3	3	3	3	0
Metropolitan Planning Org.	3	3	3	3	0

<b>FINANCIAL SERVICES</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Year End Est. FY 12-13</b>	<b>Budget FY 13-14</b>	<b>Year over Year Change</b>
Finance	7	7	7	7	0
Purchasing	2	2	2	2	0
<b>Total</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>9</b>	<b>0</b>

<b>FIRE DEPARTMENT</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Year End Est. FY 12-13</b>	<b>Budget FY 13-14</b>	<b>Year over Year Change</b>
Fire Suppression	168	168	168	171	3
<b>Total</b>	<b>168</b>	<b>168</b>	<b>168</b>	<b>171</b>	<b>3</b>

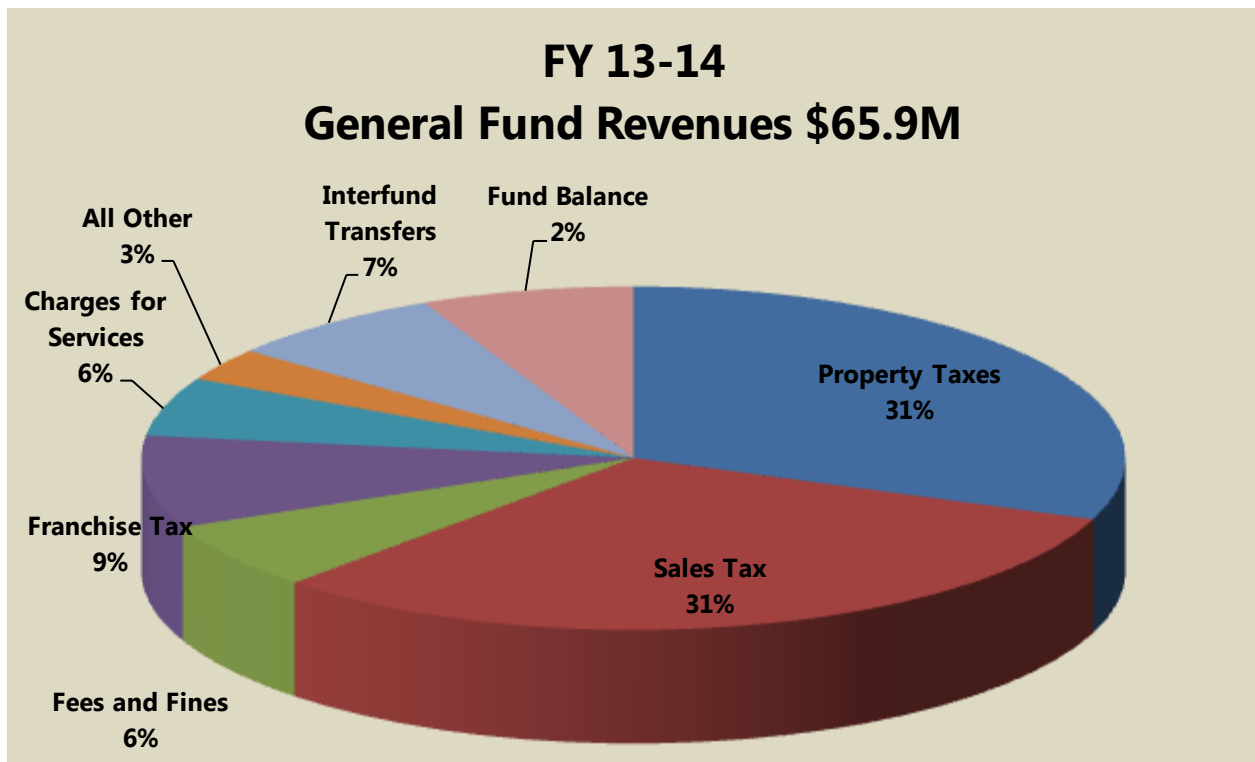
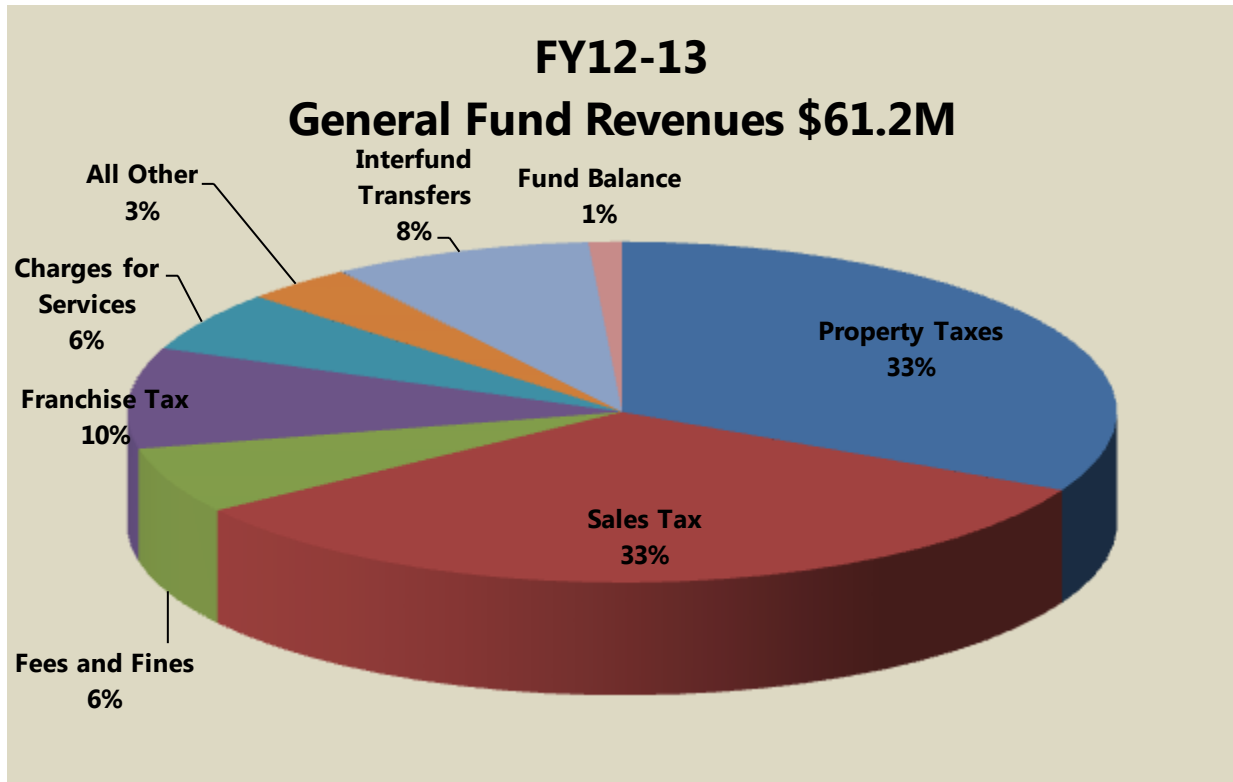
<b>HUMAN RESOURCES</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Year End Est. FY 12-13</b>	<b>Budget FY 13-14</b>	<b>Year over Year Change</b>
Human Resources	6	6	6	6	0
Risk Management	6	6	6	6	0
Health/Clinic	2	2	2	2	0
<b>Total</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>0</b>

<b>PARKS AND RECREATION</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Year End Est. FY 12-13</b>	<b>Budget FY 13-14</b>	<b>Year over Year Change</b>
Parks and Recreation	72	72	74	74	2
Longview Recreation Association	1	2	2	2	0
<b>Total</b>	<b>73</b>	<b>74</b>	<b>76</b>	<b>76</b>	<b>2</b>

<b>POLICE DEPARTMENT</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Year End Est. FY 12-13</b>	<b>Budget FY 13-14</b>	<b>Year over Year Change</b>
Police Operations	193	193	193	193	0
Public Safety Communications	33	33	33	33	0
E911 Communications	11	11	11	11	0
<b>Total</b>	<b>237</b>	<b>237</b>	<b>237</b>	<b>237</b>	<b>0</b>

<b>PUBLIC WORKS</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Year End Est. FY 12-13</b>	<b>Budget FY 13-14</b>	<b>Year over Year Change</b>
Drainage	18	20.5	20.5	23.5	3
Fleet Services	12.5	12.5	12.5	12.5	0
GIS	6	6.5	6.5	6.5	0
Plant Automation	4	4	4	4	0
Public Works Administration	2.5	2.5	2.5	4.5	2
CIP (Fund 200/210)	1	1	1	0	-1
Sanitation	30.5	30.5	30.5	30.5	0
Streets	20	18	18	18	0
Traffic Maintenance	6.5	7	7	7	0
Utility Services Division	14	14	14	14	0
Wastewater Collection	21.5	22.5	22.5	23.5	1
Wastewater Treatment	22	22	22	22	0
Water Distribution	31.5	30.5	30.5	30.5	0
Water Purification	29.5	29.5	29.5	29.5	0
Water Supply	2.5	2.5	2.5	2.5	0
<b>Total</b>	<b>222.0</b>	<b>223.5</b>	<b>223.5</b>	<b>228.5</b>	<b>5</b>

<b>TOTALS</b>	<b>Actual FY 11-12</b>	<b>Budget FY 12-13</b>	<b>Year End Est. FY 12-13</b>	<b>Budget FY 13-14</b>	<b>Year over Year Change</b>
<b>Total All Departments</b>	<b>860.0</b>	<b>865.0</b>	<b>866.0</b>	<b>876.0</b>	<b>11</b>
<b>Total Full Time</b>	<b>815.0</b>	<b>820.0</b>	<b>821.0</b>	<b>831.0</b>	<b>11</b>
<b>Total Part Time</b>	<b>45.0</b>	<b>45.0</b>	<b>45.0</b>	<b>45.0</b>	<b>0</b>



## GENERAL FUND HIGHLIGHTS

### Revenues

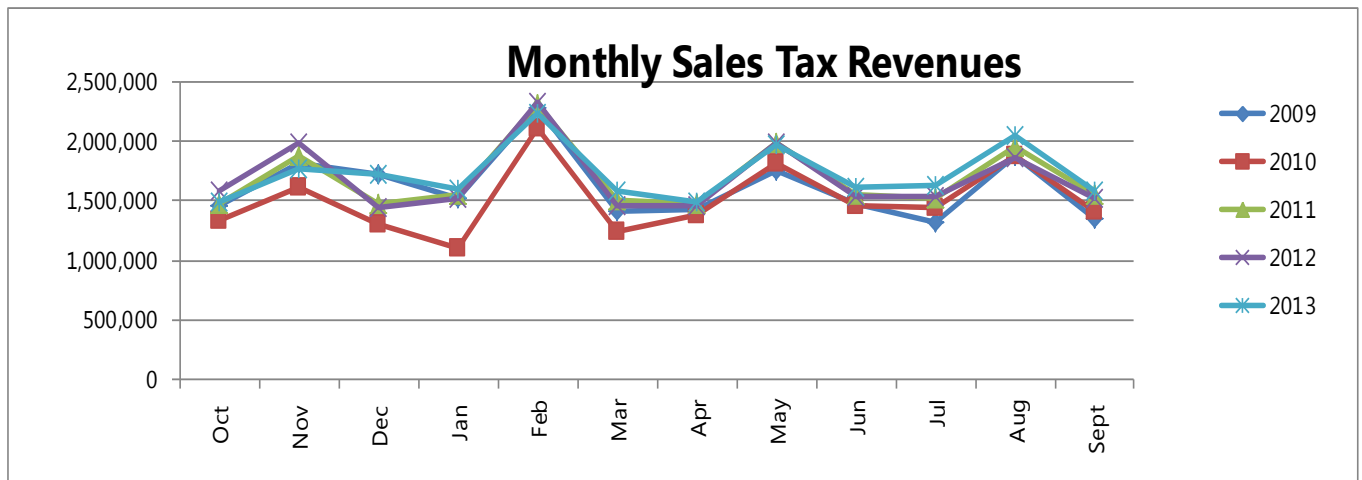
As indicated by the chart below, General Fund Revenues for FY2013-14 are projected at \$65,913,508, an increase of 7.75% over the FY2012-13 budget of \$60,989,060. The majority of the increase is due to a 7.68% increase in municipal court fines, which is due to an improved collection process and new management. Other contributors are an 3.29% increase in sales tax revenues, 4.50% increase in charges for services due to ambulance collections along with increased collections of fees associated with building permit and inspections over last year's budgeted amount.

General Fund	FY2011-12 Actual	FY2012-13 Budget	FY2012-13 YR-End Est.	FY2013-14 Budget	% Change To Budget
Property Taxes	19,375,340	19,937,313	20,156,556	20,314,815	1.89%
Sales Tax	20,263,367	19,944,525	20,600,834	20,600,834	3.29%
Fees and Fines	4,223,184	3,871,083	4,102,321	4,168,300	7.68%
Franchise Tax	5,675,572	5,853,187	5,553,491	5,725,448	-2.18%
Charges for Services	3,434,062	3,499,905	3,599,685	3,657,492	4.50%
All Other	2,493,401	2,180,830	2,255,013	2,033,755	-6.74%
Interfund Transfers	4,007,841	5,219,477	5,219,477	4,793,364	-8.16%
*Appropriated Fund Balance	1,274,729	665,439	(498,317)	4,619,500	594.20%
<b>Gross Revenues</b>	<b>\$60,747,496</b>	<b>\$61,171,759</b>	<b>\$60,989,060</b>	<b>\$65,913,508</b>	<b>7.75%</b>

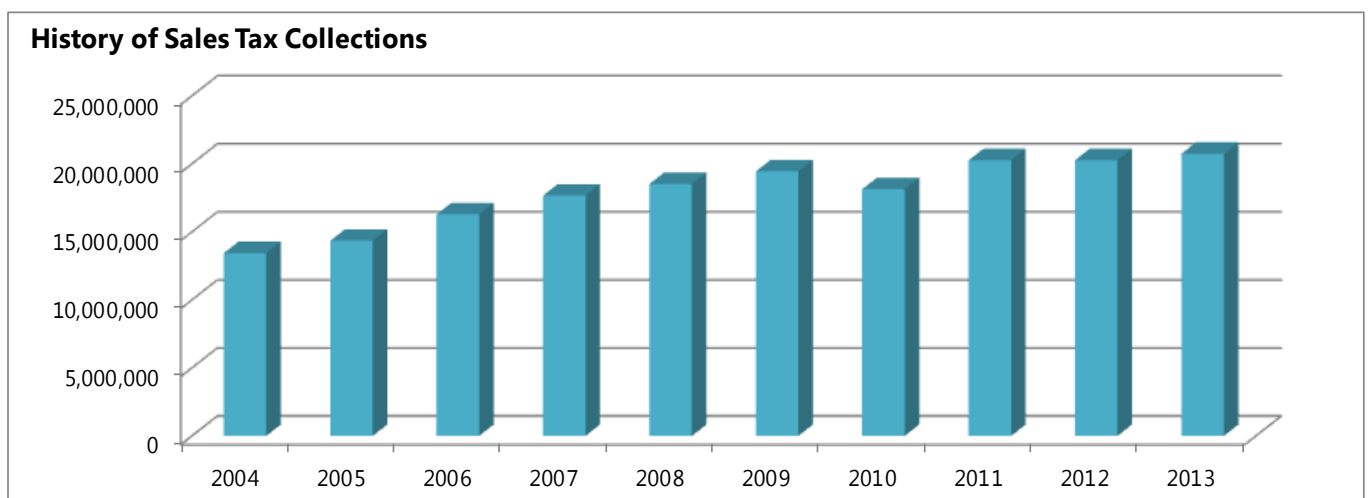
Following is a summary of each revenue category, explaining the basis for projections and reasons for changes.

### Sales Tax

Sales Tax is one of the General Fund's largest revenue sources representing 31% of the fund's total revenues. Actual collections for FY 2012-13 are projected to be 3.29% above the amount budgeted due to positive collection trends shown in the chart below along with current economic forecasts for the area. Although the area is experiencing positive collections, this occurred during the latter part of FY 2012-13 therefore, the City is taking a conservative approach by projecting flat revenue for the FY 2013-14 budget with the FY 2012-13 year end estimates.



The chart below shows that the City had steady increases in sales tax revenues from 2004 to 2009. As with the rest of Texas the City saw sizable incremental growth from 2005 to 2009. In 2010, we experienced a decrease due to the recession in the economy, which was also experienced throughout all of Texas and throughout the United States. Although the budget for 2014 is conservative, elevated energy prices continue to propel the Longview economy forward, placing growth in the area well above the national average. Therefore, as long as the oil prices remain steady and the unemployment rates continue to decrease, Longview's economy is expected to continue to strengthen.



### Property Tax

Property Tax is one of the General Fund's largest revenue sources at 31%. The certified numbers for FY 2005-06 indicate the appraised value in the city increased by over 173 million dollars from the previous year to more than 4 billion dollars. This represents an increase of 6.45%. There are two main reasons behind this significant increase. Rising oil and gas prices resulted in large increases to Mineral values in the local area. Additionally, taxable equipment caused another surge in values for FY 2006-07. Taxable values grew by 312 million dollars representing a 7.66% growth in the tax base in FY2007-08. This growth contributed to a 21% increase in Industrial Personal Property and 10% increase in Residential –Single



Family. In FY 2008-09 taxable values increased 426 million dollars due to a 17.72% increase in assessed values in Inventory, a 10.58% increase in Residential – Multifamily, and a 10.16% increase in Commercial/Industrial, Personal. Taxable values grew by almost 112 million in FY2009-10 due to a 5.26% increase in Residential – Single Family values.

In FY 2010-11 the property tax values declined, which was the first decrease in values in over ten years. This decline is contributed to a 13.92% decrease in Inventory, which is largely related to the recent recession and decline in business growth, all across the United States. A significant decrease in Residential – Multifamily of 5.52% also contributed to the decline in values. However, Residential –Single Family and Commercial/Industrial values remained strong and increased each by 2%. Overall, the property tax values for FY 2010-11 decreased by 0.18% or 9.5 million dollars in appraised value.

The certified numbers for FY 2011-12 increased by 1.77%, and the City continues this growth pattern with a 2.56% increase for FY 2012-13. The chart on the next page illustrates the areas of increase and decrease for multiple years. In FY 2013-14, the values show the decline to be less than one percent. As shown on the change in property use chart on the next page, the decrease is mainly in oil and gas, real acreage, and commercial property..

<b>Annual Change in Tax Rate and Certified Taxable Value</b>							
FY	Total Rate	O&M Rate	Increase (Decrease)	Debt Rate	Increase (Decrease)	Certified Taxable Value	% Change
2003-04	0.4834	0.3593	0.0026	0.1241	(0.0026)	\$3,566,893,115	2.35%
2004-05	0.4834	0.3664	0.0071	0.117	(0.0071)	\$3,830,357,481	7.39%
2005-06	0.4834	0.3616	(0.0048)	0.1218	0.0048	\$4,077,521,037	6.45%
2006-07	0.4834	0.3658	0.0042	0.1176	(0.0042)	\$4,390,009,119	7.66%
2007-08	0.4840	0.3658	0.0000	0.1182	0.0006	\$4,755,648,440	8.33%
2008-09	0.4840	0.3707	0.0049	0.1133	(0.0049)	\$5,181,753,712	8.96%
2009-10	0.4840	0.3707	0.0000	0.1133	0.0000	\$5,294,591,024	2.18%
2010-11	0.4840	0.3662	(0.0045)	0.1178	0.0045	\$5,285,016,506	-0.18%
2011-12	0.5009	0.3662	0.0000	0.1347	0.0169	\$5,378,796,271	1.77%
2012-13	0.5009	0.3722	0.0060	0.1287	(0.0060)	\$5,516,496,084	2.56%
2013-14	0.5009	0.3722	0.0000	0.1287	0.0000	\$5,499,077,776	-0.32%

#### **Impact on Average Residence**

- Average Home Value \$139,924
- Proposed Tax Rate \$0.5009
- Average Tax Amount \$700.89
- Change from 2012 1.4%

Assessed values on Residential – Single Family had a 1.61% increase and Multi-family had a 0.41% decrease as itemized in the next chart. Overall we had a total value decrease of 0.32% over the prior year's values.

<b>Change in Property Use Categories Assessed Valuation</b>			
<b>Real</b>	<b>2012</b>	<b>2013</b>	<b>%</b>
Residential - Single Family	2,661,470,182	2,704,209,544	1.61%
Residential - Multifamily	262,498,612	261,433,887	-0.41%
Vacant Lots	59,042,532	56,865,036	-3.69%
Real Acreage (Land Only)	41,861,124	34,584,938	-17.38%
Farm & Ranch Improvements	28,900,390	46,046,740	59.33%
Commercial/Industrial	1,024,093,274	1,040,022,090	1.56%
Minerals, Oil & Gas	67,380,000	56,851,460	-15.63%
Inventory	14,047,510	13,157,809	-6.33%
<b>Personal</b>			
Utilities	106,463,470	102,895,100	-3.35%
Commercial/Industrial	1,348,137,768	1,258,432,721	-6.65%
Mobile Homes	4,906,070	5,042,670	2.78%
Special Inventory	32,685,540	35,047,620	7.23%
Exempt	7,756,380	7,878,670	1.58%
<b>Total Value</b>	<b>5,659,242,852</b>	<b>5,622,468,285</b>	<b>-0.65%</b>
Less Exemptions	142,746,768	123,390,509	-13.56%
<b>Certified Taxable Value</b>	<b>5,516,496,084</b>	<b>5,499,077,776</b>	<b>-0.32%</b>

#### **Fee and Fines**

Fees and Fines are 6% of the total General Fund revenues and have a projected 7.68% increase over the FY 2012-13 budget. The increase in revenues is due to increased collections in Municipal Court by 6.96%. This is attributed to new management and procedures for collections in the Court. Additional increases were also noticed in building inspection fees, fire inspection fees, library fees and annual well inspection permits.

#### **Franchise Tax**

Franchise Taxes are 9% of the total General Fund revenues for FY 2013-14. They have a projected decrease of 2.18% over the FY 2012-13 budget. The electric franchise is based on usage and is influenced by the weather during the summer and winter months. This line item has decreased by 3.47% compared to last year collections. Gas franchises are also based on usage and is influenced by the weather during the summer and winter months. This line item was decreased by 2.85% due to actual collection trends in FY 2012-13. In the past few years, the telephone franchise fee has been declining because of the drop in use of landlines with the customer base switching to wireless options. Fortunately, the City has seen this trend level out as of FY 2012-13, therefore budgeting flat for FY 2013-14. The cable budget is influenced by the participation of our citizens. Due to the fact that there are wireless options available now, the cable franchise tax has been declining. Following this trend, the FY 2013-14 is budgeted at a decrease of 2.62. Road usage fees remain flat and mixed drink tax decreased by 5.76% while bingo tax increased by 16.61%.

#### **Charges for Services**

Charges for Services are 6% of the General Fund's total revenue projections and are projected with an increase of 4.50% over FY 2012-13 Budget. By examining the revenue trends for the City, this revenue

source was increased due to the rising cost of providing services to citizens. Some of the external cost drivers were items such as fuel and material cost.

**All Other**

All other revenues represent 4% of the General Fund's projected revenues and are projected to decrease 6.74% for FY 2013-14. The City has an interlocal agreement with Gregg County to provide street maintenance for county roads in the city limits. In order to help fund this maintenance in the past the county has provided \$400,000. This year the county will only be providing \$250,000 towards maintenance projects.

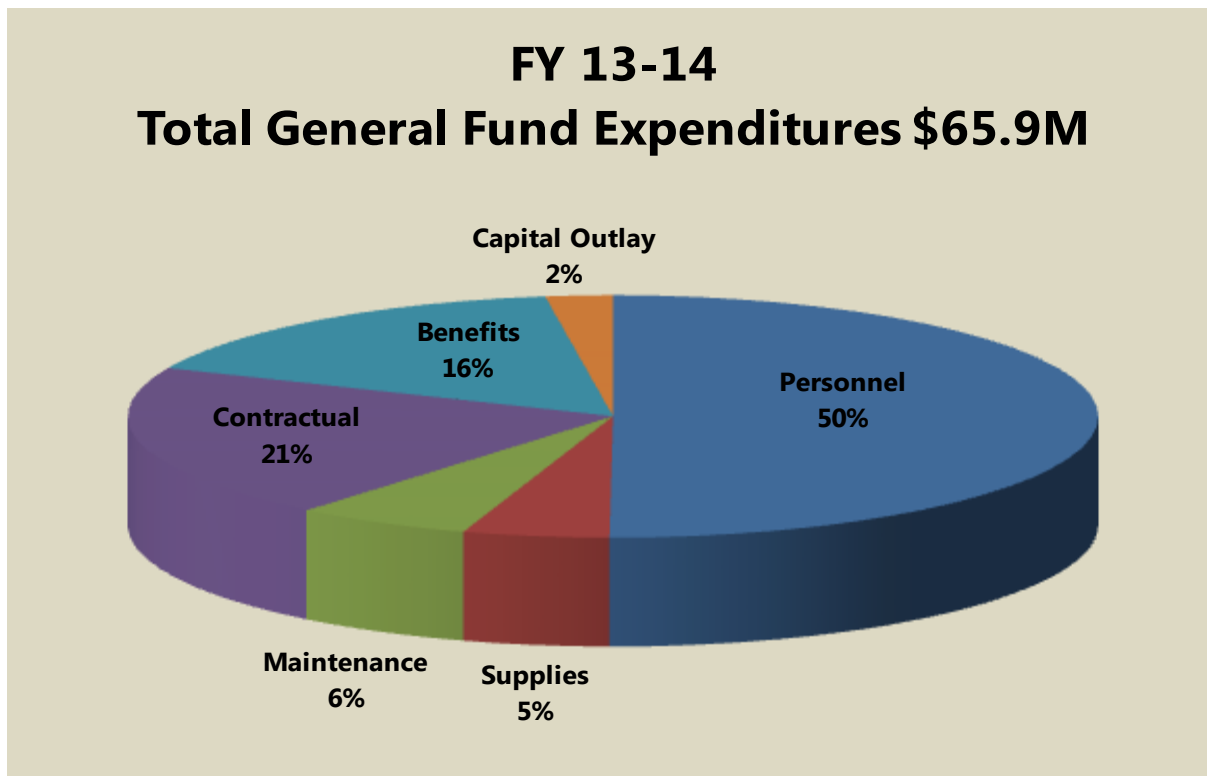
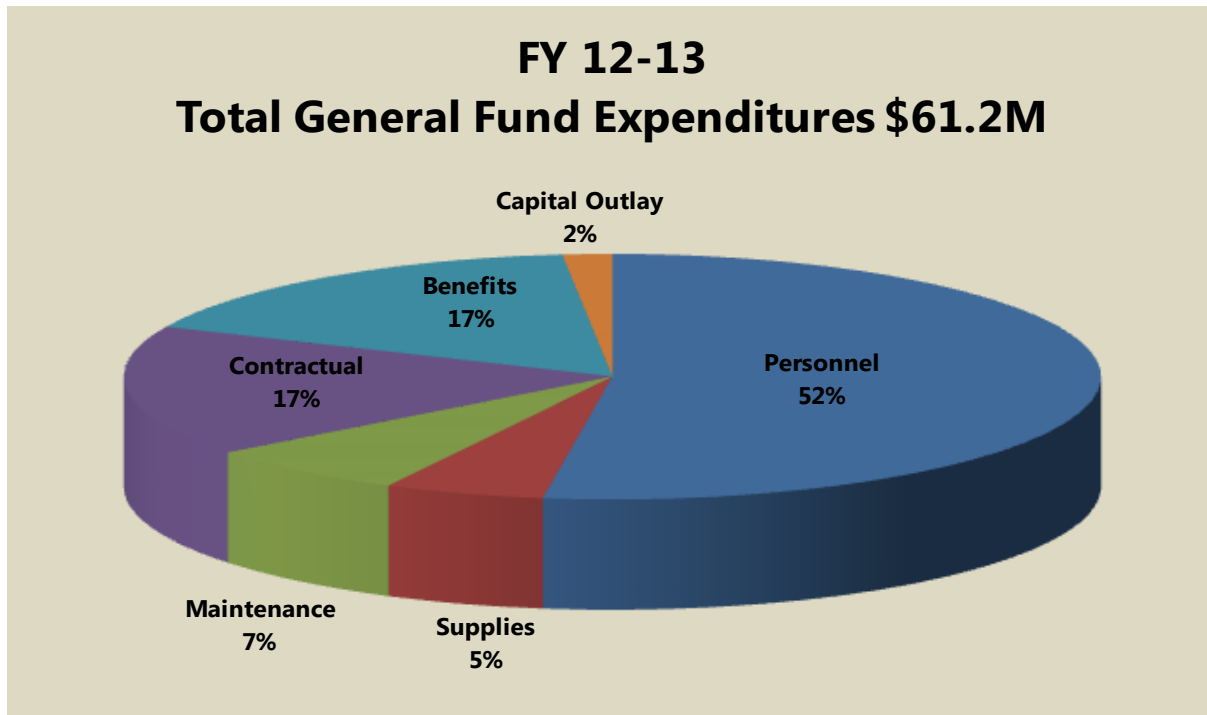
**Interfund Transfers**

Transfers from other funds into the General Fund are 7% of total revenues and have a 8.16% projected decrease. This line item is used to account for the collection of administrative charges due from other city funds. The decrease in this line item is due to the reduction of funds provided by the Longview Economic Development Corporation for 4B projects.

**Appropriated Fund Balance**

The City Council has determined that a portion of the Fund Balance reserve can be set aside for one-time expenditures. In FY 2013-14 the City will provide one time funds for the extension of Forth Street and George Richie Road. .

## FUND SUMMARY – GENERAL FUND



## Expenditures by Category

As the chart indicates, General Fund expenditures for FY 2013-14 are budgeted at \$65,913,508, an increase of \$4,741,749 or 7.75% over the FY 2012-13 Budget.

<b>General Fund Categories</b>	<b>FY2011-12 Actual</b>	<b>FY2012-13 Budget</b>	<b>FY2012-13 YR-End Est.</b>	<b>FY2013-14 Budget</b>	<b>% Change To Budget</b>
Personnel Services	30,398,277	31,973,740	31,555,052	33,032,429	3.31%
Supplies	2,924,588	3,236,253	3,222,543	3,208,866	-0.85%
Land & Structure Maintenance	1,684,997	2,685,073	2,616,051	2,171,098	-19.14%
Equipment Maintenance	1,550,506	1,496,038	1,706,292	1,710,905	14.36%
Contractual Services	13,164,234	10,553,474	10,298,099	13,611,326	28.97%
Payroll Burden	9,732,259	10,222,677	9,890,654	10,702,275	4.69%
Capital Outlay	1,292,634	1,004,504	1,700,369	1,476,609	47.00%
<b>Total Expenditures</b>	<b>60,747,496</b>	<b>61,171,759</b>	<b>60,989,060</b>	<b>65,913,508</b>	<b>7.75%</b>
Less: Transfers	5,088,984	1,629,971	1,629,971	4,428,685	171.70%
<b>Net Expenditures</b>	<b>\$55,658,512</b>	<b>\$59,541,788</b>	<b>\$59,359,089</b>	<b>\$61,484,823</b>	<b>3.26%</b>

### Personnel

The Personnel expense is 50% and the Benefits are 16% of the General Fund's operating budget for a total payroll cost of 66%. The City budgets salaries and benefits at 100%. But the City uses a vacancy factor to reduce this line item based on a study of past vacancies. Personnel costs increased due to the addition of 4 positions. Municipal Court is adding one full time position as a Court Compliance Specialist to take a more proactive approach to revenue collection. The Fire Department has added three positions to fill a crew for the purchase of a new ambulance. Since 1995 calls for EMS service within the City of Longview have nearly tripled. During that time, the Fire Department has continued to operate the same number of ambulances. However, the Fire response is stressed to the point that crews are having to be pulled off of fire trucks and placed into service to run on EMS calls. This new ambulance is expected to elevate that stress. Another contributing factor to increased personnel costs is that the City Council approved a 3% mid-year pay raise for employees who meet satisfactory levels on their annual evaluations in FY 2012-13, which is being funded at a 100% for FY 2013-14.

In the summer of 2012, the City hired Public Sector Personnel Consultants to update the compensation plan implemented in 2009. This firm surveyed 101 jobs using 19 survey cities and regional private sector data. The outcome was that current pay ranges for 39 of the benchmark positions are 5% or more below the prevailing rates. Also, 27% of general government positions fall below the minimum of the recommended pay range, 47% fall below their ratio in the new range and that only 26% of these positions are being paid at market. With this information the City budgeted to bring 100% of positions to market. With this adjustment expanded steps for Police and Fire were added to aid in retention for these departments. No across the board raises were implemented for FY 2013-14.

### Supplies

Supplies are 5% of the total budget and have a budgeted decrease of 0.85%. There is always an increase in supplies partly due to an expected inflation increase in the next fiscal year. In the Fire Department, there are planned improvements to the City's fire stations. The Fire Department requires the purchase of needed equipment and the replenishment of chemicals and absorbents, which adds to the increase in supplies. A reorganization of the Development Services workflow has initiated an overhaul of the front

entrance area of this municipal building. To offset this cost and keep the budget flat for this line item, computer and laptop purchases have been postponed until the next fiscal year.

### **Maintenance**

Maintenance is 6% of the General Fund's budget. It has a budgeted increase of 4.78% due to increases related to the cost of vehicle parts, labor and maintenance. Additional increases budgeted were the added cost of reinstating restoration funding for building maintenance and erosion protection for bridges. In addition, expected increases for asphalt supplies have played a role in these increases, along with increased maintenance projects for streets and drainage

### **Contractual Services**

Contractual Services are 20% of the budget and have a 28.97% increase over FY 2012-13,. This line item is where interfund transfers are accounted for and is the reason for most of the increase for the fiscal year. In FY 2011-12 the General Fund provided fund balance to begin construction of the proposed FM 2275/George Richey Road project as approved by the Longview Metropolitan Planning Organization Policy Board. The City is funding in FY 2013-14 the final phase that it is required to participate in. The funds are being transferred out of the General Fund's reserves to a Construction in Progress fund in the amount of \$1,650,000. Another large project is the expansion of Fourth Street to FM 259 to help elevate congestion in that area and provide greater retail expansion opportunity for the community. This project is funded at \$1,345,000.

The Finance Department increased contractual services in order to provide funding for nine Hotel Tax audits and to contract for consulting services to examine administrative cost allocations from other funds provided services from the General Fund..

The City's Environmental Health Department increased contractual services due to an expected increase in the local Humane Society Contract. The local shelter is experiencing a large influx of animals and has requested the increase for food and shelter of the animals. A task force has been established by the Mayor and is tasked with finding a solution to the area's animal overpopulation problem and high number of euthanizations. At issue is the animal shelter's inability to accommodate the number of animals being brought in on a monthly basis.

Human Resources increased contractual services in order to provide funding for the City's new educational assistance advance tuition program. This program is to encourage and assist employees with monetary assistance that would not otherwise be able to afford furthering education and is available to employees that meet the qualifications set within the policy handbook.

### **Capital Outlay**

Capital Outlay is 2% of the general fund budget and has increased by 47.00% over the FY 2012-13 budget.

The main reason for this line item's increase is the one time purchase of a fire truck and self-contained fire apparatus equipment in FY 2013-14. These two expenses are approximately \$1,180,000. The equipment is the start of a three year replacement plan.

Another project that is scheduled for this fiscal year is the addition of a 52 foot octagonal pavilion and concession stand at the Jack Mann Splash Pad. A 10,000 square feet facility which is the largest splash pad in East Texas. This project has been funded by a combination of community donations, 2007 park bond savings, and LEDCO 4B funds.